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SERVICE DATE - MAY 20, 1999

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC.,
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
—CONTROL AND OPERATING LEASES/AGREEMENTS—
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

Decision No. 127

Decided: May 19, 1999

In Decision No. 89 (served July 23, 1998), we approved, subject to certain conditions, the acquisition of control of Conrail, and the division of the assets thereof, by CSX and NS.¹ Acquisition of control of Conrail was effected by CSX and NS on the Control Date, which was August 22, 1998 (the effective date of Decision No. 89). The division of the assets of Conrail has not yet been effected; it will be effected on a date that has been referred to variously as Day One, the Closing Date, and the Split Date (and which we have generally referred to as Day One).

One of the conditions imposed in Decision No. 89 requires applicants to give 14 days' prior notice to the Board and to the public of the day that will be designated as Day One. See Decision No. 89, slip op. at 174, ordering paragraph 3.

By pleading (styled CSX/NS-218) filed May 17, 1999, applicants have given notice to the Board that June 1, 1999, has been designated as Day One. Applicants have advised that notice that June 1st will be Day One has also been given to the public through press releases to general, financial, and transportation newspapers and periodicals, and through other more specific advisories to railroad customers and employees, the Conrail Transaction Council, other railroads, and other interested parties.

¹ In this decision as in Decision No. 89: CSX Corporation and CSX Transportation, Inc., and their wholly owned subsidiaries, and also Consolidated Rail Corporation's wholly owned New York Central Lines LLC subsidiary, are referred to collectively as CSX; Norfolk Southern Corporation and Norfolk Southern Railway Company and their wholly owned subsidiaries, and also Consolidated Rail Corporation's wholly owned Pennsylvania Lines LLC subsidiary, are referred to collectively as NS; Conrail Inc. and Consolidated Rail Corporation, and also their wholly owned subsidiaries other than New York Central Lines LLC and Pennsylvania Lines LLC, are referred to collectively as Conrail or CR; and CSX, NS, and Conrail are referred to collectively as applicants.

We are issuing this decision to assure maximum awareness by the transportation community and other interested persons that June 1st will be Day One. Based on our ongoing implementation review and our operational monitoring, including assurances we have received from the Federal Railroad Administration regarding its oversight of the safety integration process on our behalf, we believe that applicants have taken the necessary steps to make the division of Conrail a success.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The date on which the division of the assets of Conrail will be effected by and between CSX and NS will be June 1, 1999.
2. This decision is effective on the date of service.

By the Board, Chairman Morgan, Vice Chairman Clyburn, and Commissioner Burkes.

Vernon A. Williams
Secretary